Administrative Affairs Council Meeting Minutes
May 18, 2010 at VCSU

Participants
Dave Clark and Tamara Barber – BSC
Alvin Binstock and Mark Lowe – DSU, by phone
Corry Kenner – LRSC
Ron Dorn and Jonelle Watson – MiSU
Jim Borkowski – DCB
Mike Renk and Keith Johnson – NDSCS, by phone
Bruce Bollinger and Karla Mongeon-Stewart – NDSU
Alice Brekke, Peggy Lucke, Dawn Pladson and Cindy Fetsch – UND, by phone
Trudy Collins – VCSU
Justin Maddison – WSC
Steve Bensen – MaSU
Laura Glatt and Cathy McDonald
Robin Putnam and Randall Thursby, by phone

Tuition Discount Report
Gina Padilla presented recommendations on changes to the annual tuition discount report. The proposed changes included:
- Implement category name changes as follows: change foreign students to international students; and staff waiver to employee discount
- Add new categories for: Spouse/dependent discount; FF/PO/EMed Dep (Firefighter/Peace officer/Emer. Med Dependent)
- Remove: Miscellaneous category and move its content to the institutional category
- Create a master list containing keywords and their descriptors—campuses will assign a keyword3 description for each of their tuition discount types from the master list.

She said the annual report will look the same, the intent is to clean up some category differences.

In response to a question from Pat Seaworth about cultural diversity waivers, campuses indicated that most of the waivers in this category are for Native American students or culturally diverse students such as afro Americans.

In response to a question about the new “keyword 3 description,” Gina said this is an existing field in CND that will be used. It will be embedded with common descriptors across the system, and campuses will be required to match the descriptor to an item type.

In response to a question about the change in terminology from waivers to discounts and whether systems will be changed to reflect this change, Laura said this should be determined as we proceed through the tuition model study.

Gina said she would route the proposed changes to the Student Affairs Council as well.

The Council had no suggested changes or concerns with the proposed changes.
SBHE policy 340.2 - Foundations
Robin presented a proposed change that would require foundations to provide the institution with GAAP-compliant financial statements, including separately reported current assets, non-current assets, current liabilities and non-current liabilities on the face of the statement. Pat also pointed out the other added provisions related to open records. Pat said recent AG opinion has made it clear that if the institution delegates a function to the foundation, such as maintaining alumni records, then those records are considered open records and subject to the open records law.

After discussion it was concluded that the foundations should submit audited financial statements, which meet the required statement format, by September 15th, to allow adequate time for campus review and preparation before submitting to the System Office, in order to meet SAO deadlines for submission of the consolidated financial statements. Campuses were asked to consult their foundations about this timeline and submit any questions or concerns to the System Office by May 25th, as a decision needs to be made so audit work can be scheduled appropriately by the foundations. In preparation for those discussions, Robin will distribute to the campuses a list of major milestone activities and related dates in order to effectively communicate the due date requirements.

Tamara asked if campuses could be provided standard template language to use in their written agreements to address the following new provision: “a provision governing access to, disclosure and security for confidential information”. Pat said that he will distribute an overall template that campuses could use, which would include this and other required components of the policy.

SBHE Policy 308.1 - Code of Conduct
Robin pointed out that the new audit standard-SAS109-requires auditors to consider risk factors, including the presence of a code of conduct. Adoption of a code of conduct continues to be in the NDUS audit as a prior recommendation not implemented. She said the controller’s group developed he draft utilizing the AICPA model. The policy draft is accompanied by a draft NDUS Office policy that campuses could use as a template for developing their own campus policy. The campus policy has to meet the requirements set forth in the Board policy.

Pat pointed out that the word “unlawful” gambling will need to be added to section 2 of the policy. In response to a question, Pat said he would modify the policy to allow for employee signature either in writing or electronically, as long as the documentation is maintained on file.

In response to a question Pat said this new policy is not intended to replace other policies currently in place such as the conflict of interest policies.

It was agreed that all new employees would be required to review and sign the code of conduct at time of hire. Annually, all benefitted employees would be required to review and sign the code. Campuses were also encouraged to distribute the code to all other current non-benefitted employees, but they were not required to sign and return verification.

Pat indicated that he would make the appropriate changes and distribute to the Academic and Student Affairs Council for review, with the understanding that a final version would be submitted to the Cabinet and SBHE in June for review and approval.

SBHE policy 830.1—Late Fee Policy
Pat reviewed the proposed changes to the policy, indicating that AG’s opinions have made it clear that state law currently limits the total amount of charge for interest, late fees, etc. to 1.75% per month of the unpaid balance, which is equivalent to 21% annually.
It was agreed that the policy should be further amended as follows: “Institutions may assess a late fee of up to 1.75% per month on past due charges not paid by the due date for tuition…."

In response to a question about possibly changing from shall to may the requirement to cancel students from class due to nonattendance, Pat said that is not possible, as this change was recently made to ensure consistency in enrollment reporting.

In response to a question about the ability to continue to assess students an administrative fee for establishing a payment plan internally through the campus, Pat said this is permitted, but must be included in the overall 1.75% per month maximum. It would not be considered within the 1.75% limitation if students are paying a payment plan fee to an external vendor.

In response to a question Pat said that a special fee assessed students to re-instate them if their enrollment has been cancelled due to non-payment is permissible and this would be considered a new and separate administrative fee and would not be counted toward the 1.75% cap.

Pat also pointed out that if the late fee of 1.75% is assessed mid-month, the fee must be prorated accordingly.

SBHE policy 805.3 Program Fees
Laura said the proposed policy change is consistent with the earlier discussion regarding changes to the program fee approval process. New program fees needed to support new academic programs, must be approved as part of the new academic program approval process. New program fees associated with existing academic programs or fee increases for existing program fees would be approved in the spring of the year along with other tuition and fee rate increases. Laura reminded the council that the common form for program fee requests was distributed and reviewed by the Council at a previous meeting.

CIO Update
Randall joined the meeting by phone to provide an update on several items as follows:

- **HIRE Act**- Teri said there is no new information about whether returning faculty (tenure or adjunct) would be considered new hire. She consulted another out-of-state campus and they indicated they are not intending to consider returning faculty as new hires for the purposes of this provision The Administrative Affairs Council agreed not to participate in the social security tax holiday.

- **Data Warehouse**: Randall reminded the Council that they are using the delivered Oracle fields, and are not making any changes. He said there will be an internal demo on the DW this afternoon within CND. The initial development will include (3) data marts: WF profile, student financial and student records.

He said the test environment is up and running and progress is being made on the data dictionary development, with both HR and student records drafts available the end of May or beginning of June for Council consideration. The plan is to have it operational for internal CND use by July 31st, limited campus roll out in the fall, with more universal training in the fall semester and roll out system wide in the spring 2011 semester.

- **Active Directory**: Will allow expanded and easier access to systems across campuses and across the NDUS. Plan is to have operational by und of June, with staggered implementation at campuses, based on their readiness. He said they will employ a common naming scheme based on first name.last name, with middle initial, as needed. BSC has been designated as the lead pilot campus, with UND thereafter. This project will for example, eliminate the need for faculty and
staff who are students at another campus from having two identifiers; will allow easier use of wireless across a campus and across the system.

- Email and calendar: Microsoft live.edu will be implemented at all campuses, except MaSU and VCSU, due to the connection to their laptop initiative. Randall said however, that during the next 4-5 months, students will need a separate email account if they are also an employee. Production services are expected to be available this summer, and campuses will migrate as time is available. Drivers for the change include Oracle discounting Oracle calendar which is currently used at six campuses the NDUS office. The other four campuses already use exchange. It will also easily tie to the active directory allowing the checking of calendars across the system. Randall inquired if Council members have been involved in discussions at the local campus level. No members indicated they had not been involved in campus discussions.

- Telephony: UND, NDSU, MaSU and NDSCS currently have five-digit dialing, which means they can dial between campuses using a five-digit number, which avoids long distance charges. Conference call dial in has also been mirrored at UND, which also avoids long-distance calls. An office communication server is currently in place at MiSU providing presence capability, it is anticipated this will be added at all other campuses.

- Randall said that he will be recommending changes to 1901.3 to tighten down the acquisition of IT systems without CIO review. CIO review is required to ensure that adequate system support is available, as needed. He anticipates review with the major councils and first reading by the SBHE in September.

- Statewide financial database: This project is being led by OMB. CND has been engaged in providing advice. OMB's targeted completion date is December 31, 2010. The database will provide detailed financial transaction information in database searchable by the public. In response to a question about what payroll information would be included in the database, Randall said he would check and notify the Council. Laura asked that CND keep the Council briefed on progress and information on the implementation.

In response to a question, Randall said that campuses need not plan for any budget expenditures in 10-11, unless they move to the exchange service in 10-11. In that event they will have some training and migration costs.

**Capital Project Performance Audit**

The Council discussed the recent performance audit and related LAFRC meeting. Council members who attended the LAFRC meeting reported there was a lot of support for centralization of services, such as having OMB manage all capital projects, increased demand for more accountability, without new staff resources to do so.

Laura said there will be no tolerance for additional infractions of laws and policies. The message is clear there will be a zero tolerance threshold. She reported that campuses need to move quickly to report and clean up any noncompliant issues immediately. Laura said that the SBHE is likely to look seriously at implementing a systemwide internal audit function, which may need to be funded through campus assessments. In addition she expects the State Auditor’s Office will likely take a broader audit view.

**2011-13 Biennial Budget**

Cathy reported that the NDUS is not currently required to submit either a hold even budget or a 3% optional reduction package, as requested by the Governor. The Chancellor is considering whether a high level alternate budget would be prepared to share with the Governor at a later date, if needed.
Cathy said she is expecting to send out biennial budget instructions this week along with a schedule that allocates all budget initiatives, by campus.

She indicated that there have been adjustments to the biennial budget request:

- After numerous discussions with the CIO and campuses, a decision was made to delay expanding the definition of “telecom” utilities to include a more comprehensive “network” utility for the 2011-13 budget request. A complete review of this issue will be done prior to the 2013-15 budget request, to insure the methodology is consistent across the NDUS. As a result of this decision, the parity and related affordability request decreased by about $2.2 million.

- As a result of updated building values, the funding to bring all campuses to 15% of the OMB formula has resulted in an increase of about $1.2 million.

- Equity allocation has also changed as a result of factoring in the first parity allocation—cost to continue salary increase, and new salary and health insurance increases—before the equity allocation, which is consistent with past practice. As a result of the change, MiSU now qualifies for a minimum equity distribution, in addition to the five campuses previously identified (WSC, NDSCS, MaSU, VCSU and DCB). The six campuses will request a minimum amount of $250,000 each.

She said budget requests are due to OMB by July 15th.

In response to a question about the new required budget reporting to the appropriations committee, and how this relates to the 11-13 budget request, Cathy said she would follow up and send more information to the Council.

**Tuition Model Study**

Each campus presented early plans and options related to the tuition model study including per credit hour model and reduced numbers of residency tuition categories.

Laura reminded Council members that the Chancellor sent an email message several months ago to each president requiring them to establish a committee of faculty, staff and student representatives to assist with the tuition model study. She suggested that if this has not already occurred on campus, it needs to happen soon.

Following review of all campus plans, Laura said she would develop a common format and send to the campuses for completion so all of the information can be pulled together into a format for comparison and review purposes. She also asked that campuses send the background information presented at the meeting today to her electronically.

**State Funding for Scholarships**

Cathy said she had an inquiry from a campus about whether state funding can be utilized for scholarships. She said that Pat Seaworth indicated there is not a state law or policy that specifically prohibits it, but she said she did not believe it was done. Council members confirmed that currently they do not fund scholarships from state appropriated funds.

**Student Fee Consistency**

Laura said she would add to the next Council agenda a discussion on how to attain more consistency in student fee categorization and descriptors, as this was a request from the SBHE Task Force.
June Budget Section Meeting
Laura reminded the Council of the early due date for June Budget Section submissions.

July Retreat
Mike Renk indicated he would like to host the July Council retreat in Wahpeton. More information will be forthcoming in the near future.

Since this was Ron Dorn’s last face-to-face meeting with the Council, the Council recognized Ron’s service to the NDUS and MiSU.

Future Meetings
May 18, 2010
July 20-21, 2010 (Retreat)
September 7, 2010
October 5, 2010
November 9, 2010
December 7, 2010